

Statement of

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THE NATIONAL MILITARY FAMILY ASSOCIATION

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of the

HOUSE VETERANS' AFFAIRS COMMITTEE

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The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family. The Association's goal is to influence the development and implementation of policies that will improve the lives of those family members. Its mission is to serve the families of the seven uniformed services through education, information, and advocacy.

Founded in 1969 as the National Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA represents the interests of family members and survivors of active duty, reserve component, and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA does not have or receive federal grants or contracts.

NMFA's website is: **<http://www.nmfa.org>**.

Patricia Montes Barron, Deputy Director of Government Relations

Patty joined the staff of the Government Relations Department of the National Military Family Association in February 2005. In that position, Patty monitors issues relevant to the quality of life of the families of the Uniformed Services and represents the Association at briefings, hearings, and meetings of other organizations. Patty has been a member and advocate of NMFA since 1998 and served as an NMFA volunteer from 2001-2005. She served on the Board of Governors as parliamentarian in 2002 and as co-chair of the Representative Training Conference in April 2004.

Patty earned a BSN from the University of San Francisco in 1980 and a Master of Science (Community Counseling) from Long Island University in 1992. She has been an Army Family Team Building (AFTB) Master Trainer since 1996 and participated in the FLAGS seminar at The United States Army War College in 2001. Patty also works as the Multicultural Program Coordinator at Fort Myer and facilitates the Hearts Apart Group (a support group for deployed spouses) at Fort Belvoir.

Patty has spent twenty-five years as an Army spouse and has served a various boards and committees to include serving on the American Woman's Activities Germany Board (AWAG) in 1993, Army Family Team Building Program Manager at Fort Benning 1998-2000. She has also volunteered at many Installation Army Family Action Plan (AFAP) conferences and has been involved in Family Readiness Groups since 1980.

A California transplant via immigration at age 5 from El Salvador, Patty has been married to Mike for 27 years. They have 3 children, Michael, 24; Megan, 22; and Joseph, 12. Patty currently resides in the Washington, D.C., area but has also lived in Germany, Washington, New York, Kansas, Georgia, and Pennsylvania.

Chairman Hall, and Distinguished Members of the Disability Assistance and Memorial Affairs Subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony today on whether we are indeed doing enough for the survivors of those who have sacrificed their lives in service to this Nation.

With the increased number of casualties as a result of Operation Enduring Freedom and Operation Iraqi Freedom over the past several years, many aspects of the casualty notification process and the survivor benefits package have been changed and enhanced. Several Federal agencies have a part in providing benefits to survivors and it is important to view the benefits as a package, one crafted to help surviving families cope with the loss of their loved one and transition into a new phase of their life. They are many-faceted, encompassing not only financial but housing, educational, medical and counseling benefits. NMFA has included an appendix that gives an overview of the benefits at the end of this statement.

Responding to the Needs of Surviving Families

The different agencies, the Department of Veterans' Affairs (VA), the Department of Defense (DoD) and the Social Security Administration (SSA) have been most responsive in developing ways to smooth the process and respond to the concerns of the families when they raise them. Although we realize the focus of this Subcommittee is on the benefits the VA provides, it is important to see how those benefits and the improvements the VA has implemented are part of the broader package of changes being made by all the agencies.

The creation of the dedicated Survivor page on the VA website (www.va.gov) has been a most welcome resource. Providing a one-stop, easily-accessible site for survivors to learn about education benefits, Dependency and Indemnity Compensation (DIC), bereavement and financial counseling, and support available from other agencies, it simplifies the information-gathering process. The VA also developed a folder that describes all VA resources, which is included in the new DoD Casualty Organizing Notebook, *The Days Ahead*.

Many of the surviving widows of service members who have died in OEF and OIF are young and have very young children. It could be difficult for them to care for those children and take advantage of the VA education benefit at the same time. NMFA commends the extension of the eligibility period for accessing those benefits to twenty years for these widows. It makes good sense.

NMFA appreciates the work being done by DoD and the Services to provide training to casualty assistance officers and to make sure survivors are receiving accurate information in a timely manner. The survivor guide published by DoD and available on-line, *A Survivor's Guide to Benefits: Taking Care of Our Own*, has already been updated several times as new benefits were implemented or needs for information identified. The Army set up the Families First Casualty Call Center, recently renamed Long Term Family Case Management (LTFCM), a one stop resolution center to assist surviving family members with questions concerning benefits, outreach, advocacy, and support. This call center is available for immediate and extended family members. The other Services have also become more responsive in their outreach to surviving family members.

The DoD/VA Survivors forum is an example of this outreach. Made up of staff members from DoD, the VA and the Services and other stakeholders including the Service Aid Societies, groups like the Gold Star Wives, TAPS and NMFA, and surviving spouses, it meets three times a year, reviewing concerns as they arise. At the meeting just this week, a recent policy change on how the remains of deceased service members are moved from Dover was discussed. Since January, each escorted coffin is placed on a military or military contracted plane and transported to the location of the funeral. This was in reaction to a perception on the part of some families that the remains of their loved ones were being handled like cargo on commercial flights and not being treated with the respect they deserved. An honor guard meets each plane when it reaches its final destination. Also discussed was the implementation of a new policy extending the eligibility of the SBP child-only option to some surviving families who had been inadvertently left out of the original legislative language. Participants also learned of proposed DoD changes for FY 09.

NMFA has surfaced concerns from family members who have reached out to us to the appropriate chains of command within DoD and the VA and to Congress. We have been pleased at the response of all the specific DoD and Service casualty assistance offices to these families. Unfortunately, we still occasionally hear of widows or parents who still do not know who to call when there is a concern.

The advent of instant communication from the battlefield has made it more important than ever that the survivors receive the most complete information from the command in the most compassionate and efficient way possible. The next of kin should be the first to know of the casualty. In an effort to help their neighbors through a difficult time, some Army installations have created Care Teams to assist families when the unit has a casualty. The concept behind the Care Team is that rear-detachment commanders and Family Readiness Group leaders have volunteers ready to provide immediate support as the notification teams leave, rather than scrambling around. Care Teams—each with two or three members—train to do everything from looking after children, to anticipating potential crises, to fending off “concerned” neighbors at a vulnerable time. Each Care Team goes through careful screening and training, then undergoes debriefings after helping families to make sure they do not suffer themselves from what is always an emotional test.

NMFA also sees a need for specific training in bereavement and other counseling for family readiness group leaders, ombudsmen, and key volunteers. Many widows say they suddenly felt shut out by their old unit or community after the death of their service member. Often the perceived rejection is caused by a lack of knowledge on the part of other families about how to meet the needs of the survivors in their midst. Because they find contact with survivors difficult, they shy away from it. In some communities, support groups outside the unit family support chain have been established to sustain the support of the surviving families in the days and months after the death of the service member. As part of the standardization and improvement of the casualty assistance process, more effort needs to be placed at the command level on supporting the long-term emotional needs of survivors and of communities affected by loss. The implementation of the Care Team process on a broader scale not only supports survivors, but also those community volunteers who bear the burden of support.

Because the VA has as part of its charge the "care for the widow and the orphan," NMFA was concerned about recent reports that many VA Counseling Centers did not have the qualified counseling services they needed to provide promised counseling to survivors, especially to children. Families are also concerned about distances from VA counseling centers. We were heartened to hear at the aforementioned DoD/VA Survivors Forum that many VA counseling centers are increasing their efforts to find local resources and provide case management for families who do not live near a center or when the center itself does not have counselors that are equipped to counsel children. DoD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need. The VA must also reach out to parents and siblings of deceased service members, who do not have access to mental health benefits through TRICARE.

New legislative language governing the TRICARE behavioral health benefit may also be needed to allow TRICARE coverage of bereavement or grief counseling. While some widows and surviving children suffer from depression or some other medical condition for a time after their loss, many others simply need counseling to help in managing their grief and helping them to focus on the future. Many have been frustrated when they have asked their TRICARE contractor or provider for "grief counseling" only to be told TRICARE does not cover "grief counseling." Available counselors at military hospitals can sometimes provide this service and certain providers have found a way within the reimbursement rules to provide needed care, but many families who cannot access military hospitals are often left without care because they do not know what to ask for or their provider does not know how to help them obtain covered services. Targeted grief counseling when the survivor first identifies the need for help could prevent more serious issues from developing later.

NMFA applauds the enhancement of medical benefits included in the FY 2006 NDAA making surviving children eligible for full medical benefits to age 21 (or 23 if they are enrolled in college) bringing them in line with the active duty benefit for dependent children. To complete the benefit package we ask Congress to allow surviving children to remain in the TRICARE Dental Program until they age out of TRICARE and, in cases where the surviving family had employer-sponsored dental insurance, treat them as if they had been enrolled in the TRICARE Dental Program at the time of the service member's death.

Caring for the Youngest Survivors

Recently, a story in the *Washington Post* raised concerns about some of the difficulties families encounter in the awarding of survivor benefits to the children of single service members. NMFA has always emphasized that service members and families must understand there is a package of survivor benefits. The death gratuity was originally intended to act as a financial bridge, to help with living expenses until other benefits such as the Dependency and Indemnity Compensation (DIC) payment, the Survivor Benefit annuity, and Social Security benefits begin to be paid. The Servicemembers Group Life Insurance (SGLI), is, as its name implies, an insurance plan. The death gratuity is not an insurance payment, even though its \$100,000 amount is bigger than many civilian life insurance payouts. Service members may thus regard it as just another insurance plan.

As the law is currently written, the death gratuity must be awarded to the next of kin. The service member may designate multiple beneficiaries for the SGLI. If the

parent or sibling of a service member is named as the single beneficiary or one of multiple beneficiaries, there is no stipulation in the SGLI regarding the use of that money for any particular purpose. It is of utmost importance, in light of the increased value of the survivor benefits, that the service member be informed about the difference between the death gratuity and the SGLI payment. It is also important that service members and their families discuss the implications and disposition of these payments, especially when there is a minor child involved or when there are children from a prior marriage or relationship to consider. With the increased amount of survivor benefits, it is incumbent upon single service members with children or dual service member couples with children to create not only a family care plan, but an estate plan as well.

NMFA is concerned that the legal necessities of appointing a guardian for a minor child upon the death of their single service member parent may cause a delay in accessing the death gratuity at a time when the family may need this bridge payment the most. Legislation to change the way the death gratuity is awarded must meet two goals: preserving the intent of the death gratuity as a payment to assist with immediate financial needs following the death of the service member AND protecting the benefits due the minor child. NMFA would support legislation to allow the designation of a service member's parent or sibling as the recipient of a portion of the death gratuity payment if there is a guarantee the payment would be used as that financial bridge for the minor child until other benefits are awarded, with the remainder placed in trust for the child. The protection of the financial future of the child is paramount. If the service member wants to provide for other family members, the proper mechanism is to designate those family members as beneficiaries of all or part of the SGLI.

The VA provides a monthly transition benefit of \$250 for two years following the death of the service member for surviving spouses with children. NMFA would support the extension of this benefit to the guardians who are caring for the minor children of deceased service members.

The surviving children of single service members who die on active duty require special protections to ensure the proper financial disposition of the enhanced survivor benefits. NMFA asks Congress to provide the proper protections for the child(ren) if allowing a guardian to receive the death gratuity and to remember the original intent of the death gratuity payment was to serve as a financial bridge until the initiation of the payment of the survivors' benefits.

Eliminate the DIC Offset to SBP

NMFA still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct a long-standing inequity. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment from the VA to the survivor when the service member's service causes his or her death. It is a flat rate payment, currently \$1,067 for the surviving spouse and \$265 for each surviving child. The SPB annuity, paid by DoD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military

retirees who elect SPB pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor becomes eligible for DIC.

If there is no surviving spouse, surviving children of a single service member, who are in the custody of the former spouse of the service member or a guardian, are eligible for SBP and DIC payments. The amount of the SBP annuity is divided among the children who are recognized as dependents of the service member. As children age out of eligibility, the portion provided to each of the remaining children increases. The DIC payment amount for these children is greater than for children with a surviving parent. The table of payments is found at www.va.gov. Disabled children receive the SPB and DIC payments for a lifetime.

Four years ago, survivors of service members killed on active duty were made eligible to receive SBP. The amount of their annuity payment is calculated as if the service member was medically retired at 100 percent disability. The equation is the basic pay times 75 percent times 55 percent. The annuity varies greatly, depending on the servicemember's longevity of service.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SPB is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this choice currently leaves the spouse with an annual income of \$12,804, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses. We urge Congress to intensify efforts to eliminate this unfair "widow's tax" this year.

NMFA believes several other adjustments could be made to the Survivor Benefit Plan. These include allowing payment of SBP benefits into a trust fund in cases of disabled children and allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.

NMFA recommends the DIC offset to SPB be eliminated to recognize the length of commitment and service of the career service member and spouse and relieve the spouse of making hasty financial decisions at a time when he or she is emotionally vulnerable.

Preparing for the unthinkable

While survivors can never be fully prepared for the news their loved one has died in the line of duty, certain preparations can and should be made to assure casualty assistance is rendered and benefits are awarded as quickly and as compassionately as possible. Talking about the "what if" is not pleasant, but preparation in this time of war is necessary. NMFA appreciates the responsiveness of the VA and DoD to surviving families when needs arise and the continued support these agencies provide. These families deserve no less for the sacrifice they have made for our Nation.

Overview of Survivor Benefits April 2007

Benefits paid by the Department of Defense (DoD):

- **Death gratuity** - \$100,000 (increased in P.L. 109-163) This is paid to the designated next of kin and is not taxable. This is supposed to be paid within 24 hours of notification of death. The purpose of this payment is to help the survivors in their readjustment and to aid them in meeting immediate expenses.
- **Burial benefits** – DoD will process, transport and inter remains. A casket, vault and headstone are provided or costs of up to \$7,700 may be reimbursed if the family elects to make private arrangements. Transportation costs for the immediate family are reimbursed if they must travel for the funeral (but not for a memorial service).
- **Military Health and Dental Care Benefits** – All otherwise eligible spouses and children remain eligible for military health care coverage. For the surviving spouse, for three years from the date of death, TRICARE benefits, including co-pays, remain the same as active duty family benefits. After three years, the cost of TRICARE and TRICARE co-pays rise to those of retirees. With the passage of P.L. 109-163, surviving children remain eligible for active duty family member medical benefits under TRICARE until they reach age 21 or 23 if enrolled in college. In most cases, the surviving spouse and children receive dental insurance premium-free for 3 years, before becoming eligible for the premium-based Retiree Dental Program. The spouse loses eligibility for medical and dental benefits upon remarriage. They may not be reinstated.
- **Survivor Benefit Plan (SBP)** – Surviving spouses of service members who die on active duty are entitled to SBP benefits. SBP payments equal 55% of what the member's retired pay would have been had the member been retired at 100% disability, i.e. 75% of the basic pay (Basic pay times 75% times 55%). SBP is automatically adjusted annually for cost of living increases. SPB payments are subject to federal income taxes. The spouse may decide to waive their payment and have payment made to children only until the children reach age 18 or 23 if enrolled in school. If the spouse remarries before age 55, SBP payments cease. If the subsequent marriage ends in death, divorce or annulment, SBP may be reinstated. If the spouse remarries after age 55, the SBP payments continue. Spouse SBP payments are offset by Dependency and Indemnity Compensation (DIC) payments.
- **Housing benefit** – Surviving families may occupy government quarters or be paid housing allowances for one year effective with the passage of P.L. 109-163 in 2006. These allowances vary according to rank and geographic location. In addition, the family is eligible for one move at the cost of the government.
- **Service member's Group Life Insurance (SGLI)** – All service members are automatically enrolled for \$400,000 of coverage unless they explicitly decline the insurance or purchase lower levels of coverage. SGLI will be paid to the individual designated on the service member SGLI election and certificate form. If no beneficiary is elected by the service member, the proceeds are paid first to the surviving spouse; if none, the child(ren) (natural, adopted or illegitimate) in equal shares; if none, to the parents (natural or adopted).
- **Other DoD benefits** – Spouses are eligible for Commissary, Exchange, and Morale, Welfare and Recreation activities privileges indefinitely unless they remarry. Children maintain eligibility until age 18 or 23, if still enrolled in college.

Benefits paid by the Department of Veterans Affairs (VA)

- **Transition Assistance** – a monthly payment of \$250 paid to surviving spouses with children for two years from the date of death of the service member to help with transition.
- **Dependency and Indemnity Compensation (DIC)** – Surviving spouses and children (and some dependent parents) are eligible for DIC. The rate has been adjusted annually for cost of living increases. The 2007 spouse DIC rate is \$1067 monthly. The DIC payment is non-taxable. Additional amounts, also adjusted annually, are authorized for a surviving spouse with minor children. The current monthly benefit for 2007 is \$265 for each child. Unmarried children are eligible for the benefit until they reach the age of 18 (19 if still in secondary school), between 18 and 23 if they are attending a VA approved institution of higher learning or for life if they are disabled while still eligible for the benefit. Children of a deceased member, who did not have a spouse at the time of death, receive a different monthly benefit. If the spouse remarries before age 57, payment of the spouse's DIC ends. The children's DIC payment continues as long as they are eligible. If the subsequent marriage ends in death, divorce or annulment, DIC will be reinstated.
- **Survivors' and Dependents' Educational Assistance Program** – Surviving spouses and children are eligible for up to 45 months of education benefits. Beginning 1 July 2005, the surviving spouse of a service member killed on active duty has an extended eligibility for education benefits of up to 20 years after the date of the member's death. Children are normally eligible to receive the educational benefits between their 18th and 26th birthdays. The current monthly benefit is \$860 per month and increases every year.
- **Home Loan Guarantees** – An unremarried surviving spouse is eligible for GI home loans and retains eligibility if remarriage occurs after 57th birthday.

Benefits paid by the Social Security Administration:

- **Social Security monthly benefits** - paid to a spouse or a divorced spouse regardless of age if the children of the deceased service member are under age 16 or are disabled and meet social security requirements. The amount paid can only be determined by the Social Security Administration.
- **Social Security Lump Sum Death Benefit** – a payment of up to \$255 is paid to the surviving spouse living with the member at the time of death or to the oldest surviving child if there is no spouse.

Some states also pay death benefits or provide other support, especially to the survivors of National Guard or Reserve members killed on active duty. The scope of these benefits and eligibility for them varies by state.